

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division**

**UNITED STATES OF AMERICA,
ex rel. PAUL FRASCELLA,**

Plaintiff,

v.

ORACLE CORP., *et al.*

Defendants.

CASE NO. 1:07cv529 (LMB/TRJ)

NOTICE

From March 22 - 25, 2011, Oracle hosted a site visit for the Department of Justice and the Relator at its Redwood Shores, California headquarters. Ms. Handrigan attended for the Government and Mr. Mead attended for the Relator, along with two GSA OIG auditors and one of Mr. Mead's retained experts. Oracle was represented by Arnold & Porter attorneys, as well as in-house counsel and an outside consultant.

On the morning of March 23, Oracle proposed to counsel for the Government and counsel for the Relator that the parties provide the Court with a joint update on the progress of the site visit. Later on March 23, Oracle provided the parties with a draft of a proposed update. On March 24, counsel for the Government suggested that an update at the end of the week, whether filed jointly or separately by each party, would be preferable. Today, March 29, counsel for the Government indicated that the Government would prefer that the parties provide individual reports to the Court, rather than a joint update. Accordingly, Oracle hereby submits its account

of the site visit.

Tuesday, March 22, 2011

The site visit began at 9:30 a.m., on Tuesday, March 22, 2011. For Tuesday's visit, Oracle made available five senior-level Oracle employees, including two IT specialists, two vice presidents and a senior manager, all with many years of experience at Oracle:

Greg Myers (Vice President, Global Services Finance Operations)
Scott Toth (Vice President, Global Pricing)
Jennifer Ferderer (Senior Manager, License Global Process Owner (Order Management))
Baki Yasar (Director, Internal Order Capture Systems AIT)
Sivaramakrishnan "Lax" Lakshminarayanan (Manager, ADIT)

These individuals had agreed to be available until 3:30, but ultimately stayed past 5 p.m. for the benefit of the Government and the Relator. During Tuesday's site visit, the focus was on understanding the Order Management ("OM") system, and the process by which orders are entered into the system. Oracle provided full access to this system. The Government and the Relator team had ample opportunity to search any U.S. order they wanted, and were able to utilize a tool called EZOrder to review multiple orders. Oracle's personnel walked through each requested item and explained the supporting documentation.

Wednesday, March 23, 2011

Wednesday's meetings began at 10 a.m. and ended at 6 p.m. Oracle made six senior-level Oracle employees available, including three IT specialists, two vice presidents and a senior director, again with many years of experience at Oracle:

Greg Myers (Vice President, Global Services Finance Operations)
Baki Yasar (Director, Internal Order Capture Systems, AIT)
Sivaramakrishnan "Lax" Lakshminarayanan (Manager, ADIT)
Sunil Moola (by phone) (Lead Analyst, Internal Reporting)

Kerry Fitzpatrick (Senior Finance Director, Corporate FP&A Product Revenue)
Keith Ryland (Group Vice President)

During Wednesday's site visit, Oracle again provided full access to the requested systems. The focus Wednesday was on the so-called "QP Module" and understanding the system's capabilities for reporting discounts and migrations. The Government and the Relator also learned about Oracle's CRM system, which is used to track sales opportunities.

Thursday, March 24, 2011

Thursday's site visit began at approximately 9:30 a.m. and concluded at around 5:30 p.m. Oracle made available five senior-level Oracle employees. Three of Oracle's employees were available to provide full access to its support renewal order entry system (OKS). The personnel included:

Kari Swartz (Senior Director, Global Support Sales Operations)
Mike Moran (Senior Director, Project Accounting & HR-Payroll Systems, AIT)
Uma Sonthalia (Group Manager, AIT)

The focus was on understanding Oracle's OKS system and how technical support renewals are approved and entered into the OKS system, as well as understanding OKS' reporting capabilities.

In addition, Oracle made available a senior director from Oracle's Revenue Recognition group (Sean Seixas, Senior Director, Americas Revenue Recognition) to discuss various reports that group generates and analyzes, and to answer questions regarding Oracle's Vendor Specific Objective Evidence (VSOE) reports.

Moreover, in response to a specific request made by the Government and Relator during the course of the meetings, Oracle presented a senior contracts director (John Doyle, Senior Contracts Director) to answer follow-up questions the Government and the Relator had with

regard to Oracle's OM and EZOrder systems. Mr. Doyle also answered questions regarding Oracle's contract monitoring systems. Once again, Oracle's personnel walked through each requested system query from its OKS, OM and EZOrder systems and explained the supporting documentation.

Friday, March 25, 2011

Friday's site visit began at approximately 9:30 a.m. and concluded around 3:00 p.m.

Oracle's presenters included three vice presidents and a manager:

Jin Oh (Vice President, Global Sales Compensation)
Jody Terry (Vice President, Finance NA)
Michelle Petrie (Manager, Mergers & Acquisitions, Customer Operations)
Corey West (Senior Vice President, Corporate Controller, Chief Accounting Officer)

During Friday's site visit, Oracle provided the Government and Relator full access to its Trading Community Architecture (TCA) system, which captures Oracle customer information. Michelle Petrie, a manager in Oracle's customer operations group, explained Oracle's TCA system, walked through each requested query from the system and answered questions from the Government and the Relator.

Jin Oh, vice president of Oracle's Global Sales Compensation group, made himself available to answer questions related to Oracle's commission systems, schedules and guidelines. Further, Oracle presented Jody Terry, a vice president from its finance department, to answer questions about various reports generated and analyzed by the finance department and provided to Oracle management. Ms. Terry's focus at Oracle is financial reporting related to the North America Sales organization.

The site visit concluded with a meeting with Corey West, Oracle's Senior Vice-President,

Corporate Controller and Chief Accounting Officer, who answered questions related to the Government's and the Relator's efforts to reconcile Oracle's sales data to Oracle's financial statements.

Summary

The express purpose of the site visit was to enable the plaintiffs fully to explore and understand Oracle's systems and to request supplemental data to the extent it exists. The Government and the Relator requested one additional day for a site visit to be conducted in Reston, Virginia with Oracle's Reston personnel. The parties are working to schedule that visit; it will likely occur April 6, 7 or 8. Oracle fully committed its resources to the Redwood Shores site visit, and believes the visit achieved its purpose.

Other Issues

In briefing for tomorrow's hearing, the Relator once again makes issue of migration and price hold tracking capabilities in the current Order Management system. Oracle believes this is the same information previously disclosed by Oracle. During the parties' February 28 conference call, Oracle disclosed information regarding the current OM system's flags for price holds and migrations. *See* Exhibit A, February 28, 2011 Tr. 60:12 - 62:5. On March 1, 2011, Oracle produced the OM reference manual, which provides technical information regarding price hold and migration tracking. *See* Exhibit A, ORACLEFCA00178089 - 091; 00178141-148. On March 4, 2011, Oracle produced the QP Report, referencing price hold and migration information for the period December 2001 to December 2006. Ultimately, Oracle produced the information at issue approximately three weeks after it timely served written responses to

Relator's discovery requests.

As has already been extensively briefed, Relator believes that Oracle should have produced electronic price hold and migration information earlier in discovery. At Tuesday's site visit, after viewing migration data in OM, Relator's counsel became visibly agitated regarding the OM system's current capabilities, to the point of raising his anger in the presence of the Oracle personnel who guided him through the system. Oracle believes that counsel's agitation is part and parcel of his effort to revisit an issue already addressed by the Court. In all instances, despite other pressing end-of-quarter demands, Oracle's high-level personnel devoted significant time and effort to walking the Government and the Relator calmly through Oracle's data systems.

Due to their efforts, the site visit was successful.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on the 29th day of March, 2011, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will then send a notification of such filing (NEF) to the following:

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